



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36383]

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., 3i RR LLC, Regional Rail Holdings, LLC, and Regional Rail, LLC—Control Exemption—Carolina Coastal Railway, Inc.

3i RR Holdings GP LLC, 3i Holdings Partnership L.P., 3i RR LLC, and Regional Rail Holdings, LLC (collectively, 3i RR), and Regional Rail, LLC (Regional Rail), all noncarriers, have filed a verified notice of exemption under 49 CFR 1180.2(d)(2) to acquire from Douglas S. Golden the stock and control of the Carolina Coastal Railway, Inc. (CLNA), a Class III rail carrier that operates in North Carolina and South Carolina.¹ According to the verified notice, the proposed transaction will allow Regional Rail to acquire direct control, and 3i RR to acquire indirect control, of CLNA.²

According to the verified notice, 3i RR Holdings GP LLC controls 3i Holdings Partnership L.P., which controls 3i RR LLC, which controls Regional Rail Holdings, LLC, which controls Regional Rail. Regional Rail is a holding company that directly controls the following six Class III rail carriers: (1) East Penn Railroad, LLC, which operates in Delaware and Pennsylvania; (2) Middletown & New Jersey Railroad, LLC, which operates in New York; (3) Tyburn Railroad LLC, which operates in Pennsylvania;

¹ The verified notice states that CLNA operates generally between: (1) Chocowinity, N.C., and Raleigh, N.C.; (2) Phosphate Junction, N.C., and Plymouth, N.C.; (3) Rocky Mount, N.C., and Spring Hope, N.C.; (4) Belhaven, N.C., and Pinetown, N.C.; (5) Morehead City, N.C., and Radio Island, N.C.; and (6) Blacksburg, S.C., and Kings Creek, S.C.

² On January 31, 2020, 3i RR and Regional Rail filed a motion for protective order under 49 C.F.R. § 1104.14(b), which will be addressed in a separate decision.

(4) the Florida Central Railroad LLC, which operates in Florida; (5) Florida Midland Railroad Company, Inc., which operates in Florida; and (6) Florida Northern Railroad Company, Inc., which operates in Florida (collectively, the Subsidiary Railroads).³ 3i RR and Regional Rail certify that the proposed transaction does not involve an interchange commitment.

The verified notice states that: (1) CLNA does not connect with the Subsidiary Railroads; (2) the acquisition of control of CLNA is not intended to connect with any other railroads in 3i RR's corporate family; and (3) the proposed transaction does not involve a Class I rail carrier. The proposed transaction is therefore exempt from the prior approval requirements of 49 U.S.C. 11323. See 49 CFR 1180.2(d)(2).

The earliest this transaction may be consummated is March 1, 2020, the effective date of the exemption (30 days after the verified notice was filed). The verified notice states that the parties intend to consummate the transaction on or after March 1, 2020.

Under 49 U.S.C. 10502(g), the Board may not use its exemption authority to relieve a rail carrier of its statutory obligation to protect the interests of its employees. However, 49 U.S.C. 11326(c) does not provide for labor protection for transactions under 49 U.S.C. 11324 and 11325 that involve only Class III rail carriers. Because this transaction involves Class III rail carriers only, the Board, under the statute, may not impose labor protective conditions for this transaction.

³ See Regional Rail Holdings, LLC—Acquis. of Control Exemption—Regional Rail, LLC, FD 35945 (STB served Aug. 7, 2015); 3i RR Holdings GP LLC—Control Exemption—Regional Rail Holdings, LLC, FD 36289 (STB served Apr. 19, 2019); 3i RR Holdings GP LLC—Control Exemption—Fla. Cent. R.R., FD 36365 (STB served Nov. 22, 2019).

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions to stay must be filed no later than February 21, 2020 (at least seven days before the exemption becomes effective).

All pleadings, referring to Docket No. FD 36383, must be filed with the Surface Transportation Board either via e-filing or in writing addressed to 395 E Street, S.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on applicants' representative, Louis E. Gitomer, Law Offices of Louis E. Gitomer, LLC, 600 Baltimore Ave., Suite 301, Towson, MD 21204.

According to the verified notice, this action is categorically excluded from environmental review under 49 CFR 1105.6(c) and from historic preservation reporting requirements under 49 CFR 1105.8(b).

Board decisions and notices are available at www.stb.gov.

Decided: February 10, 2020.

By the Board, Allison C. Davis, Director, Office of Proceedings.

Kenyatta Clay

Clearance Clerk

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